

## AUDITOR/CONTROLLER-RECORDER

### Larry Walker

#### MISSION STATEMENT

The San Bernardino County Auditor/Controller-Recorder's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

#### We are committed to:

##### Our Taxpayers

.... spending taxpayer dollars wisely. To this end, we are dedicated to providing our services in a cost effective, efficient manner by taking advantage of innovation and new technology. We will promote sound financial management throughout County government and will perform budgetary control as required by law.

##### Our Customers

.... providing a high level of quality services to our customers. We will be sensitive and responsive to our customers' needs and expectations. We will be accurate, thorough and timely in the performance of our duties and will treat our customers in a professional manner with courtesy and respect.

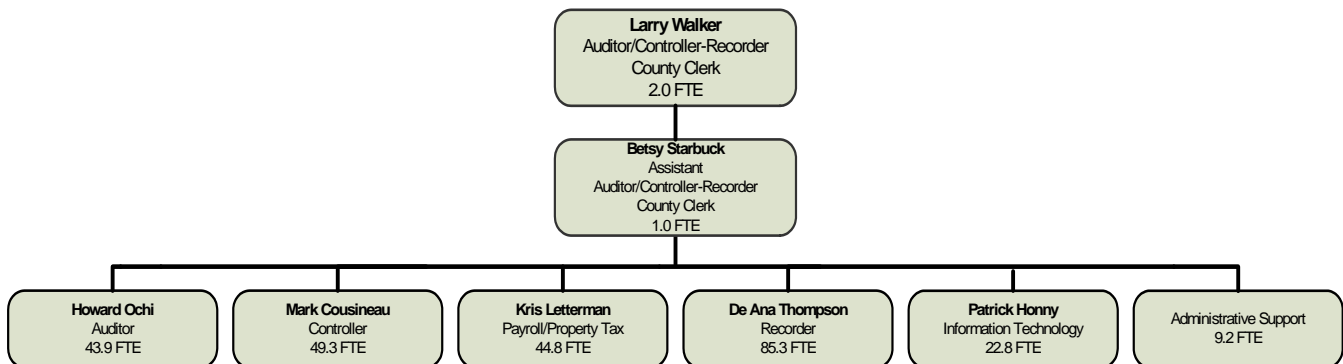
##### Our Employees

.... providing our employees with a safe, comfortable working environment in an atmosphere of mutual respect, cooperation and non-discrimination. We will hire and train competent, knowledgeable individuals with backgrounds that will complement and enhance the abilities of our workforce and we will provide opportunities for continued professional growth and advancement. We recognize, value, and support the efforts and ideas of our employees and will provide the information and resources necessary to accomplish the goals of this organization.

#### STRATEGIC GOALS

1. Provide timely and accurate financial information.
2. Expand and enhance Recorder Division services.
3. Enhance accounts payable process.

#### ORGANIZATIONAL CHART



**SUMMARY OF BUDGET UNITS**

	2008-09				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<b><u>General Fund</u></b>					
Auditor/Controller-Recorder	19,967,543	6,749,619	13,217,924		231.3
Total General Fund	19,967,543	6,749,619	13,217,924		231.3
<b><u>Special Revenue Funds</u></b>					
Systems Development	14,047,547	2,504,529		11,543,018	26.0
Vital Records	646,765	165,839		480,926	-
Recorder Records	967,707	485,000		482,707	1.0
Electronic Recording	528,819	485,000		43,819	-
Social Security Truncation	679,555	485,000		194,555	-
Total Special Revenue Funds	16,870,393	4,125,368		12,745,025	27.0
<b>Total - All Funds</b>	36,837,936	10,874,987	13,217,924	12,745,025	258.3

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

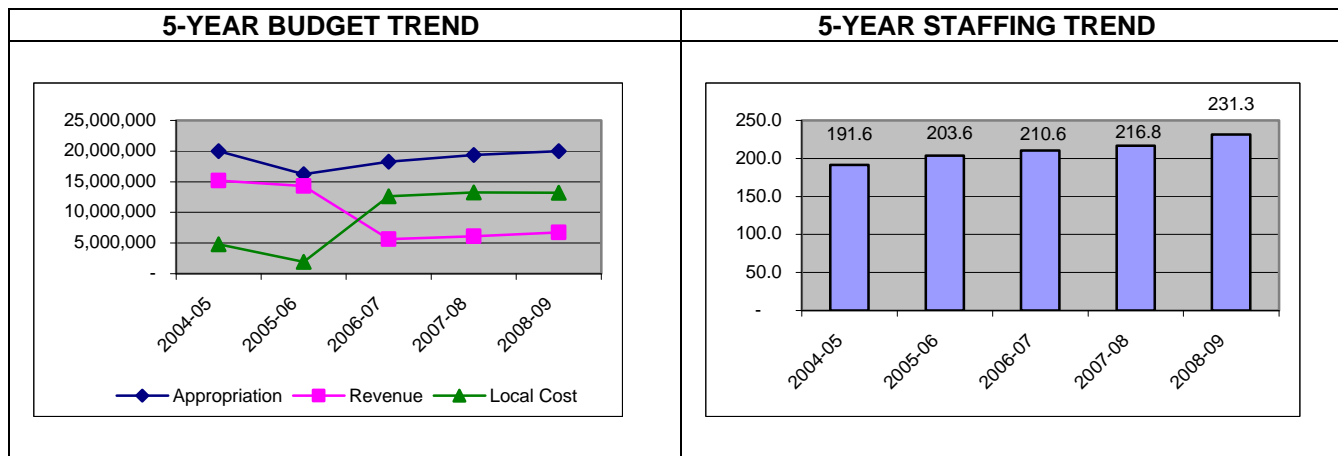


## DESCRIPTION OF MAJOR SERVICES

The Office of the Auditor/Controller-Recorder and County Clerk (ACR) is responsible for providing the county and its constituents with a variety of accounting services and document recording and management services. The Auditor and Controller Divisions record the collections and perform the accounting, reporting, disbursements, and audits of all county financial activities to ensure sound financial management. They are also responsible for developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan. The Payroll/Property Tax Division is responsible for payroll services, Employee Management and Compensation System (EMACS) development, and the compilation of property tax rates and revenue disbursements to taxing agencies.

The Recorder Division accepts all documents for recording that comply with applicable recording laws. The Recorder produces and maintains official records evidencing ownership and encumbrances of real and personal property and other miscellaneous records. The Recorder Division is also responsible for County Archives and County Clerk functions. County Archives maintains all the historical records for the county. The office of the County Clerk files and manages records as they relate to vital statistics, fictitious business names, and other records that are required by the State to be filed with the County Clerk.

## BUDGET HISTORY



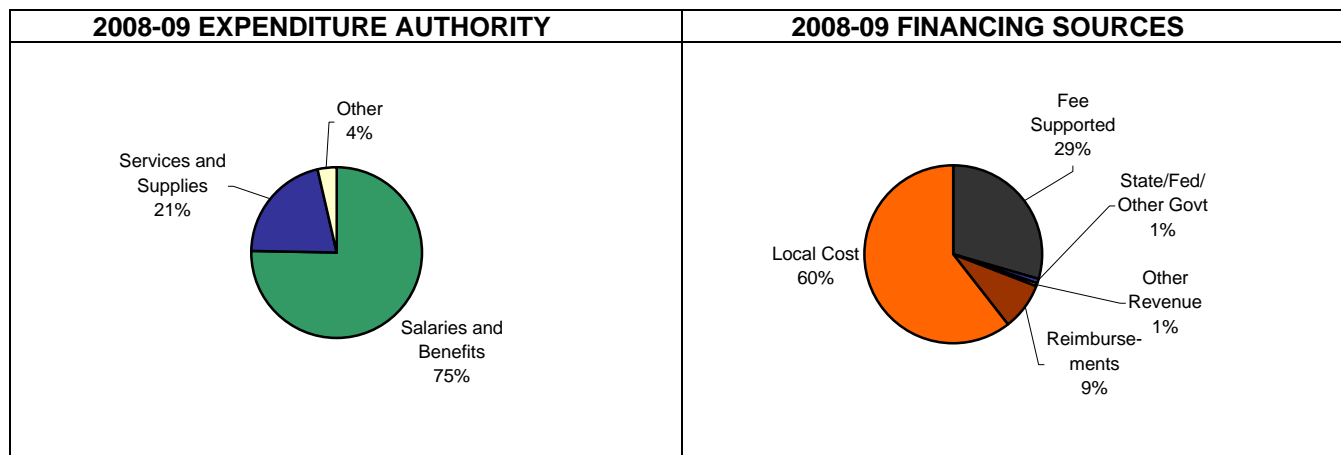
The significant increase in local cost and decrease in revenue in 2006-07 is a result of the county's concern for stabilizing the department's financing. Recording revenue has been placed in Countywide discretionary revenue and in lieu of this revenue source, additional general fund financing has been provided. The restructuring of this revenue was board approved on November 1, 2005.

## PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	19,968,967	15,071,302	15,467,100	19,357,354	16,119,440
Departmental Revenue	15,184,728	5,608,169	6,550,525	6,102,260	6,318,416
Local Cost	4,784,239	9,463,133	8,916,575	13,255,094	9,801,024
Budgeted Staffing				216.8	

The 2007-08 appropriation estimate is less than the modified budget due to the department holding positions vacant and conservative spending in services and supplies. Departmental revenue slightly exceeds the modified budget because of fees from services provided to the general public and additional property tax-related revenue.

## ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal  
DEPARTMENT: Auditor/Controller-Recorder  
FUND: General

BUDGET UNIT: AAA ACR  
FUNCTION: General  
ACTIVITY: Finance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Salaries and Benefits	10,707,547	11,951,672	13,269,880	14,222,642	15,993,629	16,441,289	447,660
Services and Supplies	3,667,274	3,071,302	2,399,011	1,907,159	3,639,266	3,335,288	(303,978)
Central Computer	1,159,570	1,106,542	921,399	975,766	975,766	1,033,187	57,421
Travel	-	-	-	-	-	234,954	234,954
Equipment	-	8,081	-	-	38,000	-	(38,000)
L/P Struct/Equip/Vehicle:	4,531,810	-	-	-	-	-	-
Capitalized Software	-	-	-	-	-	150,000	150,000
Transfers	34,618	53,952	264,839	576,247	633,270	635,557	2,287
Total Exp Authority	20,100,819	16,191,549	16,855,129	17,681,814	21,279,931	21,830,275	550,344
Reimbursements	(1,010,208)	(1,355,537)	(1,388,029)	(1,562,374)	(1,922,577)	(1,887,732)	34,845
Total Appropriation	19,090,611	14,836,012	15,467,100	16,119,440	19,357,354	19,942,543	585,189
Operating Transfers Out	878,356	235,290	-	-	-	25,000	25,000
Total Requirements	19,968,967	15,071,302	15,467,100	16,119,440	19,357,354	19,967,543	610,189
<b>Departmental Revenue</b>							
Licenses and Permits	561,419	512,150	525,412	478,521	450,000	539,000	89,000
State, Fed or Gov't Aid	91,166	161,058	200,328	195,554	121,668	192,410	70,742
Current Services	14,409,803	4,805,768	5,717,128	5,520,268	5,409,654	5,886,203	476,549
Other Revenue	122,340	129,193	107,657	124,073	120,938	132,006	11,068
Total Revenue	15,184,728	5,608,169	6,550,525	6,318,416	6,102,260	6,749,619	647,359
Local Cost	4,784,239	9,463,133	8,916,575	9,801,024	13,255,094	13,217,924	(37,170)
Budgeted Staffing					216.8	231.3	14.5

Salaries and benefits of \$16,441,289 fund 231.3 budgeted positions and include an increase of \$447,660 and 14.5 budgeted positions. The increase includes the mid-year addition of 1.0 Accountant II for the Cal Card program. Budgeted positions that were outlined in the Business Plan include 1.0 Internal Auditor IV, 1.6 Internal Auditor III, 0.8 Systems Procedure Analyst I to provide EMACS training, 1.0 Systems Accountant II and 0.8 Systems Accountant III, as well as 2.4 budgeted positions to support C-IV and the migration of 35 ISAWS counties into the C-IV consortium (these positions include 0.8 Supervising Accountant III and 1.6 Accountant I positions). The request for the C-IV consortium positions is contingent on State funding to reimburse the positions. If that revenue is not realized, the positions will be eliminated. The balance of the increase in budgeted positions is due to an increase of 6.3 public service employee positions and a reduction of 0.4 for the distributed vacancy factor. Also included in salaries and benefits with no effect to the number of budgeted positions are 11 reclasses from Internal Auditor II to Internal Auditor III, one reclass from Internal Auditor I to Internal Auditor II, 3 reclasses from Supervising Accountant III to Supervising Internal Auditor III, and one reclass from Accountant I to Accountant II.



Services and supplies of \$3,335,288 includes a decrease of \$303,978 primarily due to the transfer of travel expenses to a new appropriation unit, decreased internal services costs, and a reduction in temporary help. Services and supplies includes the costs of Internal Service Funds, computer software expense, contracts for professional services, general office expense, special department expense, increased mail preparation and postage costs, and other expenses associated with operations.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$234,954 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Capitalized software of \$150,000 is for the purchase of Quest Stat software to automatically track EMACS programming changes. This item is consistent with ACR Business Plan.

Transfers of \$635,557 include intra-departmental funding for services provided by other departments including the replacement of the third floor transformer, and doesn't include a significant difference from the 2007-08 budget. Reimbursements of \$1,887,732 represent payments from other departments for accounting and auditing services and to cover the expense of using general fund staff to provide services related to the department's special revenue funds. The increase of \$34,845 is due to the increased cost of funding positions, the reimbursement of rent and utilities for the Recorder's building for Archives records storage and restoration, and the reimbursement of costs for professional auditing contracts.

Departmental revenue of \$6,749,619 includes a combination of revenue sources which is generated from property tax-related items and services that ACR provides to both other county departments as well as to the public. The increase of \$647,359 is due to increases in property tax-related revenue, as well as new fees approved by the County Board of Supervisors, and from reimbursement for the additional positions from the MOU associated with the C-IV Consortium.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Received Certificate of Achievement for Excellence in Financial Reporting.	Yes	Yes	Yes	Yes
Received Outstanding Achievement in Popular Annual Financial Reporting.	Yes	Yes	Yes	Yes
Percentage of film images that are repaired by June 30, 2007 (462,228 images to be repaired as of 2005-06).	80%	90%	100%	N/A
Track and maintain the number of new microfilm cassettes that are inventoried within one month of receipt by June 30, 2007 (30,011 cassettes as of 2005-06).	100%	100%	100%	N/A
Convert percentage of microfilmed images from 1980 to present to a digitized format by June 30, 2007 (3,235,595 images to be converted as of 2005-06).	80%	90%	100%	N/A
Provide 60% of Recorder services currently offered in the San Bernardino office to at least one satellite location.	N/A	N/A	N/A	100%
Percentage increase in vendor participation in the EFT program (358 vendors as of 2005-06).	25%	35%	37%	40%
Percentage of valid payment documents processed within ten days of presentation to executive management (January through June 2006, 43,479 documents processed).	90%	90%	90%	90%

The performance measures demonstrate an emphasis on achieving the department's strategic goals, providing excellent customer service and the use of staff and technology to provide training for departments. The department will expand services to the public at one additional satellite location and complete the capital improvement projects funded in the 2008-09 budget.



ADDITIONAL GENERAL FUND FINANCING REQUESTS						
Rank	Brief Description of Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2008-09 Performance Measurement
1.	Outdoor Marriage Facility - CIP Request During 2006-07, there were 12,314 marriage licenses issued and 4,265 marriage ceremonies performed by Recorder staff. Currently there are no outdoor facilities to accommodate couples and their families, and during busy days, there are not enough facilities to meet the demand. An outdoor facility will provide an attractive location for ceremonies and help alleviate the foot traffic during high volume times. This CIP will be funded through the Recorder's Systems Development special revenue fund and may be a one-time funding request. (\$100,000)		100,000	100,000	-	
						100% fully constructed and operational by June 30, 2009
2.	Remodel Customer Service Area 1st/2nd Floor Restrooms - CIP Recorder business operations have changed as technology has changed. Because of the ability to record electronically, the space that was originally designated for businesses for recording is no longer used for that purpose. The Auditor/Controller-Recorder would like to convert the area to its best use to add more customer service windows. Adding more customer service windows will enable staff to serve more customers and reduce wait times. The CIP is a one-time funding request and may be funded through the Recorder's Systems Development special revenue fund. Also, the restrooms are heavily used by the public, and in need of rehabilitation. (\$940,000)		940,000	940,000	-	
						Percentage of remodel designed and contracted in 2008-2009
						100%
<b>Total</b>		-	1,040,000	1,040,000	-	